



**Report of the Missouri
House of Representatives
Interim Committee on Improving
Government Responsiveness and Efficiency**

**Chair: Rep. Sue Allen
Vice-Chair: Rep. Jeffrey Messenger
January 2014**

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January 3, 2013

The Honorable Tim Jones
Speaker of the House of Representatives
State Capitol, Room 308
Jefferson City, MO 65101

Dear Mr. Speaker:

The Interim Committee on Improving Government Responsiveness and Efficiency has met, taken testimony, and gathered information from several agencies including the Department of Social Services, Department of Mental Health, Department of Elementary and Secondary Education, Department of Insurance, Department of Higher Education, Office of Administration, Office of State Courts Administrator and Department of Public Safety along with several citizens and organizations.

The Committee examined these agencies looking for ways to improve the responsiveness and efficiency of state government in meeting the needs of the people of Missouri. Through these meetings, the committee found there are many programs within the agencies examined that do not operate efficiently or effectively. Summaries of the testimony given by the agencies, organizations and citizens are included in the report along with possible recommendations to be addressed by legislation and through the appropriations process. Many of these issues will be addressed further in budget and appropriations hearings during the 2014 legislative session.

The Interim Committee on Improving Government Responsiveness and Efficiency is pleased to submit the attached report.

Yours Truly,



Representative Sue Allen
CHAIR



Representative Jeffrey Messenger
VICE-CHAIR



Representative John Mayfield

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Representative Anne Zerr
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The Interim Committee on Improving Government Responsiveness and Efficiency

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I.

INTRODUCTION

House Speaker Tim Jones created The Interim Committee on Improving Government Responsiveness and Efficiency and selected Representative Sue Allen to chair the committee. Representative Allen was tasked with leading the committee during the interim to closely examine whether Missouri's state departments and agencies are effectively and efficiently meeting the needs of the people and to look for ways to improve the responsiveness and transparency of state government.

Speaker Jones stated he created the committee because, over the course of the past year, the people of Missouri have lost a great deal of confidence in the state agencies that are meant to provide vital services in an efficient and responsive manner. From the scandal within the Missouri Department of Revenue to the ongoing problems with the Department of Social Services, Missouri has seen multiple examples of inefficiency and incompetence that have raised alarm bells. Speaker Jones stated, "I want the committee to perform a thorough examination of how our governmental agencies operate with the goal of reducing the red tape and improving the quality of service provided to Missouri taxpayers."

Representative Allen hosted several committee meetings over the interim, which began with bringing the Missouri Department of Social Services (DSS) to testify before the committee on recent issues that have caused much concern in the state. Representative Allen stated that over the next few months the committee would look closely at DSS and other state governmental entities to identify areas where they could operate more efficiently. The Committee also sought to develop policy suggestions for putting recommended improvements in place. Committee efforts have the potential to ultimately produce a state government that is better able to meet the needs of Missourians. The Committee met with several state agencies including the Department of Mental Health, Department of Elementary and Secondary Education, Department of Insurance, Department of Higher Education, Office of Administration, Office of State Courts Administrator and Department of Public Safety along with several citizens and organizations.

All of the committee hearings were held in the Missouri State Capitol, house hearing room 7.

II.

SUMMARY OF HEARINGS

HEARING DATE JULY 22, 2013

At the July 22 hearing the committee heard testimony from citizens concerned with services provided by state agencies and from the Department of Social Services.

The first individual providing testimony discussed challenges with the accountability of the Department of Social Services regarding his grandchildren. He stated that DSS's Children's Division is supposed to be an advocate for the children, not the parent. The system must promote the safety of children and the integrity and preservation of their families by conducting investigations or family assessments and providing services in response to reports of child abuse or neglect. The division is supposed to coordinate community resources, provide assistance or services to children and families identified to be at risk and prevent and remedy child abuse and neglect. The individual added that his grandchildren have been at risk for the past few years from their mother, the environment they live in and the inadequacy of the state agencies involved. With the current system he would have to go without seeing his grandkids for six months before anything could be done through the court system. There needs to be an intra-agency system where all agencies involved can have functional communication between one another to protect the children of our state. There have been problems with employees within the same agency not communicating across county lines.

The second individual testifying discussed issues with the underservicing of the northwestern area of Missouri for the treatment of alcohol and substance abuse. The Division of Behavioral Health, formerly known as the Division of Alcohol and Drug Abuse, within the Department of Mental Health has a 28 page provider list for the western region of Missouri, however if you take out the providers in the Kansas City and surrounding areas, there is one provider to service the northern part of this region. Northwestern Missouri has one provider and three offices to cover eight counties. Rules for the community health centers were adopted in 1983 and have not been updated since. Current law states that if you have a drug conviction you cannot get any services, go to school, etc. To incarcerate a person costs the tax payers of Missouri over \$20,000 per year. Additional services for treatment and increasing the number of drug courts in Missouri, particularly in the rural areas, could save the state money, help people become contributing members of their community and possibly save lives.

The third individual testifying created a volunteer ad-hoc group known as the Spending Oversight Council, which was created to monitor government spending to help minimize waste and fraud. The Council found, after reviewing audit reports from the State Auditor's Office (SAO) that DSS repeatedly fails to confirm and reconfirm eligibility of recipients in numerous

programs year after year. DSS currently has no database to find and avoid duplication of activities or to address actual eligibility in many cases. Agency budgets are not reviewed by non-governmental entities. Budget requests and programs reviewed had no baselines or measurable goals, objectives or metrics. It appears that agencies' objectives are to spend whatever money they have available, and not to achieve pre-determined benefits and accomplishments. He stated, "The General Assembly has minimal staff and insufficient time to review and analyze programs and budgets and appear to be at the mercy of agency bureaucrats who have a personal gain in increased spending as the bureaucrats appear to be valued and rated per the size of the budget they control."

According to the last individual testifying, there are many unjustified programs receiving federal funds. DSS fails to verify if people are eligible for the benefits they receiving. Agencies need to share documents and cross reference them to ensure that people are not receiving more benefits than they are eligible for. There are 17 million people in this country currently receiving some sort of benefit. The average benefit received is approximately \$61,000 per person. This is outrageous because the average American only makes \$51,000.

Brian Kinkade, Acting Director of DSS, testified next. Mr. Kinkade updated the Committee on the "new money" DSS received to upgrade the agency's computer systems. The new system, when completely operational, should allow DSS to keep records electronically and better serve clients needing services. The system will allow DSS to track benefit recipients, making sure that people are getting only the benefits they are "entitled" to and help DSS share information with other agencies.

Mr. Kinkade discussed the issue of child abuse and neglect records. These records are closed records and confidential under current law. When there is a fatality or near-fatality, the records can be released at the discretion of the director. If release of these records could possibly jeopardize a child or other innocent party or hurt a future court case, these records are not released. The department's first duty is to the wellbeing of the child or any other siblings involved. The court system is also involved in making these decisions. Mr. Kinkade stated, "These cases are complex and every case is unique as to its situation; no two cases are the same." The hotline is the only thing that can alert DSS to issues. If there is no hotline call these issues could go unknown for a long time. DSS does not have jurisdiction to remove a child from a home; that has to be handled by the police.

The next issue discussed was the case loads of case workers. Caseloads vary from year to year and from area to area. On an ongoing basis, we track the case load of our case workers and shift resources as needed to make sure we have the resources where they are needed. Case workers have a hard job. The work is demanding and emotionally draining. Case worker turnover/burnout rate is very high, annually at 20% or greater. When the economy is bad, turnover rate is lower than when the economy is good and there are more job opportunities. For new college graduates, the turnover rate is at least 30% the first year.

Patrick Luebbering and Melody Yancey with DSS discussed issues regarding the Early Childhood Development, Education, and Care Fund (ECDECF) which was established to provide funding to increase the capacity of, and access to, quality early childhood programs for

all Missouri families. The funds are distributed through grant programs, certificates to families, and an increase in state child care subsidies for child care programs accredited by a recognized accrediting organization. This program was not funded for budget year 2013.

Problems were found by the State Auditor's Office at 3 of the 18 facilities where grant money was provided. Money was provided up front, and the facilities did not use the money properly to grow their programs. It has been an issue getting the funds back from these entities. We have put in place procedures to make this process accountable, and our contracts are more in depth. We have established performance measures in the contracts to hold contractors accountable. If this program gets funded again we are planning on making the payments on a reimbursement basis instead of paying up front before the project is even started.

The department also provided handouts related to the budget maximization program and information on the food stamp program.

HEARING DATE

JULY 23, 2013

At the July 23 hearing the Committee heard testimony from individual citizens, associations and the Department of Social Services.

Jeanette Mott Oxford, Executive Director of the Missouri Association for Social Welfare (MASW) and Glenn Koenen, chair of the Hunger Task Force at MASW, provided handouts with concerns related to the DSS reorganization and its impact on the Temporary Assistance for Needy Family's program (TANF).

John Peters with the Spending Oversight Council provided a handout outlining his concerns regarding the waste and abuse of taxpayer dollars and the lack of accountability or metrics in place. He stated that there are too many programs that overlap in the services that they provide. There needs to be a check and balance system in place to scrutinize spending of taxpayer dollars on government programs.

Colleen Coble, director of the Missouri Coalition against Domestic and Sexual Violence, explained how TANF is a useful tool for women who are victims of abusive situations. Sixty-five percent of the women in domestic violence shelters are receiving benefits from TANF. These funds help them transition into a better living environment and possibly saves lives. Domestic violence shelters across the state are receiving more money, however in the past year shelters have had to turn away over 19,000 individuals because shelters were filled to capacity. More funds are needed to assist every person in need of protection.

DSS provided an updated TANF and food stamp program which is available upon request.

HEARING DATE AUGUST 26, 2013

Keith Sappington, executive director of the Missouri Assisted Living Association (MALA) testified about the Missouri Medicaid Audit and Compliance unit (MMAC) within the Department of Social Services. MMAC's mission is to enhance the integrity of the Missouri Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds while promoting high quality patient care. MALA stated that MMAC has changed their reimbursement procedures. In the past Medicaid paid the full amount of units reimbursable based on the month; now reimbursements are being prorated for any month that has less than 31 days in it. MALA was not notified of this change in procedure. MALA met with MMAC to try to resolve this issue and heard nothing; however, MMAC posted a message on DSS's website at a later date explaining the change in procedure. If DSS wants to establish new rules they need to post notification as required by law and allow for a comment period where individuals can discuss issues with the pending changes.

Brian Kinkade, Acting Director of DSS, provided responses to questions that were asked at the July meetings. The Children's Division of DSS also provided a handout regarding child care service programs. Information was provided related to the children service workers' turnover rate.

Keith Schafer, Director of the Department of Mental Health, provided information related to the Office of Inspector General's (OIG) audit of Missouri Medicaid payments made to Hawthorn Children's Psychiatric Hospital for the five-year period from July 1, 2005 through June 30, 2010. The objective of the audit was to determine whether the DSS claimed federal matching funds for inpatient psychiatric services and disproportionate share hospital payments in accordance with select federal inpatient psychiatric hospital service requirements. OIG recommended the state refund \$21.4 million to the federal government of these payments. DMH is currently in negotiations with OIG to resolve this issue.

HEARING DATE AUGUST 27, 2013

At the August 27 hearing the committee heard testimony from individual citizens, associations, the Department of Elementary and Secondary Education, and the Department of Insurance.

Debbie Kersting, executive director of the Leukemia & Lymphoma Society discussed the need for parity between orally and intravenously administered chemotherapies. Intravenously administered chemotherapies kill everything including healthy blood cells and take 2 to 4 hours to complete a treatment. Orally administered chemotherapies can be taken in the privacy of a patient's home and people on this medication are still able to go to school, work or play sports almost immediately and not have to sit in a hospital with the possibility of contracting another illness. The cost of an oral medication is comparable to the intravenous method and the premium increase in insurance plans has been minimal. There are 20 states that require oral medications to be charged at the same rate as the intravenous method. A handout was also provided to the committee.

Many individuals testified against the Department of Elementary and Secondary Education's (DESE) use of Common Core State Standards (CCSS) for English language arts and mathematics. In 2010 a memorandum of understanding was executed by Governor Nixon and the Commissioner of Education, Chris Nicastro, with approval of the State Board of Education to get involved in the Smarter Balanced Assessment Consortium to develop assessments based on the CCSS; at no time was the General Assembly included in any decision making related to this new standard. In May 2013 DESE organized community meetings across the state to communicate with the public about the CCSS. Several of these individuals went to the local meetings in the districts. The information provided by DESE was read from a script as content in the slides was provided. No one was able to ask questions. They were instead told to write down their questions. DESE officials said they would respond to the questions on the department's website. There was discussion on the increased cost to administer the tests. Many community members wanted to know who would have to pay for the testing. These tests are computer-based; many school districts do not have adequate computer technology and bandwidth available to conduct the assessments. This will take additional resources away from some already struggling districts. Many of those testifying were also concerned that DESE would share personal information about individual children with other entities.

Next, the committee heard from John Huff, Director of the Department of Insurance, Financial Institutions & Professional Registration. Director Huff was asked questions about the Affordable Care Act and the insurance exchange. Director Huff replied that the division of insurance has not done anything related to the health insurance exchanges because Missouri statute prohibits any action. The division will not have oversight over the exchange but will still regulate the insurance industry as it applies to Missouri statutes and regulations. As an example, under the Affordable Care Act, there is a provision that health insurance policies cannot contain a maximum dollar limit on coverage. This is not a state requirement; therefore, the Division of Insurance can tell companies that their policies cannot have a maximum dollar limit amount

based on the federal law. They cannot, however, enforce that provision; that would fall on the federal government to regulate.

The Department of Elementary and Secondary Education discussed information related to the CCSS. The Missouri Constitution directs the State Board of Education to set high academic standards for education in the state. These standards define what students should know and be able to do for success in college, other postsecondary training and a career. Students who are college and career ready are less likely to need remedial classes to succeed at college level work and are better prepared for the workplace. The CCSS for English language arts and math will go into effect in the 2014-2015 school year. The standards were developed by educators across the country, including Missouri, and will provide a clear, consistent road map for what students are expected to learn at every grade level. These standards will ensure students learn basic and higher-order skills, including problem solving and critical thinking. Additionally the standards do not require schools to use specific curriculum or teaching methods. Those decisions will continue to be made at the local level by school boards, superintendents, principals and teachers. These new standards will help reduce remediation rates at the college level and contribute to higher rates of college completion. DESE made the decision to put the answers to questions posed to them on the CCSS on the website so that everyone would have the opportunity to see the answers to the questions. The website is <http://www.missourilearningstandards.com/>.

The next individual to testify was a teacher that is currently using the CCSS in her classroom. She stated that these standards help her to set learning goals which will better train students to be college ready. The new learning standards are seamless with the current standards already in place. The new standards are expected to increase ACT scores across the state. In teaching English language arts it is important for students to be able to read at their grade level and better understand non-fiction writing. Currently we teach students narrative writing, but it is very important that they learn to write argumentatively. Argumentative writing teaches students to come to conclusions and provide evidence on what happened in certain scenarios teaching them to critically think.

HEARING DATE OCTOBER 7, 2013

Chris Nicastro, Commissioner of the Department of Elementary & Secondary Education, testified before the committee on the implementation of the Common Core State Standards (CCSS). In 2009, the National Governors Association convened a group of educators to work on developing the standards. In 2010, a memorandum of understanding was executed by Governor Nixon and the Commissioner of Education, Chris Nicastro, with approval of the State Board of Education to join with in the Smarter Balanced Assessment Consortium to develop assessments based on the CCSS. The standards were released for mathematics and English language arts on June 2, 2010, with a majority of states adopting the standards in the subsequent months. Currently 45 states are members of the CCSS Initiative. The federal government had no role in the development of the CCSS and will not have a role in the implementation. The CCSS Initiative is a state-led effort and adoption of the standards is in no way mandatory for states. Missouri has the right to revise the standards if necessary.

Commissioner Nicastro was asked what the data collection requirements are for CCSS, and she stated that no additional data is required by these standards. DESE will collect the same information it has collected for years. There are no data collection requirements for states adopting the CCSS. Standards define expectations for what students should know and be able to do by the end of each grade. The data collected is to measure students, schools and the state to determine how Missouri compares to other states. DESE's policy is to protect the confidentiality of personally identifiable information on individual students in accordance with federal and state laws and policies.

The new assessments are being designed by a 24 state consortium in which Missouri is a member. By joining this consortium, Missouri saved a significant amount of money. DESE has chosen CTB/McGraw-Hill for a new statewide assessment contract beginning with the 2014-15 school year. The Department's current contracts with CTB/McGraw-Hill for the administration of the Missouri Assessment Program (MAP) expire with the spring 2014 test administrations. The new contract includes all required assessments in English language arts, mathematics, science, and social studies. The scope of the work addresses item development, test administration, scoring, security and reporting. The assessments are integral to accomplishing Missouri's Top 10 by 20 initiative that aims for student achievement in Missouri to rank among the top 10 states by 2020 and for all students graduating to be ready for college, postsecondary training or a career. All of the assessments will be administered online. This will allow for faster results for educators as well as more detailed feedback on student performance.

The State Board of Education approved the Department's proposed FY15 budget at its September meeting including additional funds for the new assessment contract. The budget is subject to the normal appropriations process. The \$18 million in additional funds for the assessments reflects the increase in costs since the state's last assessment contract as well as online delivery, ongoing development, teacher resources and the additional exams.

Next, when the department originally estimated the cost for the technology needed for Race to the Top, the cost was close to \$250 million, and the majority of that cost was for fiber optic cables. Since that original estimate, the state has received stimulus funds from the federal government to upgrade the technology grid and increase broadband width. There is also new technology that is cheaper and easier to incorporate into Missouri's school systems.

The Committee requested that the commissioner provide a detailed organizational chart of DESE including names, titles, salary, number of persons supervised, etc. To date the Committee has not received this requested information.

HEARING DATE OCTOBER 21, 2013

Dr. Timothy Kutz, Director of the Child Protection Team at Cardinal Glennon Children's Medical Center and a professor at Saint Louis University School of Medicine, testified that the medical center is proposing the creation of a medical home for children in foster care in Saint Louis City and Saint Louis County. There are approximately 550 children entering foster care each year in the City and County, and around 450 remain in care for more than 30 days.

Staff at the medical home would include a coordinator to interface with DSS's Children's Division, foster families, the courts and medical providers. Registered nurses would investigate and compile relevant past medical history into an electronic health records (EHR) system. Physicians with expertise in the medical issues facing foster care children would record their assessment and plan in an EHR. Cardinal Glennon will aim to assist in determining what model of care is best for children in foster care in Missouri. We will look at obstacles to quality care relating to access to care, provision of ongoing care, obtaining past medical information, distributing medical information including a treatment plan and access to specialty care. Costs of the program cannot be met by standard Medicaid reimbursement. Startup costs are expected to be greater than ongoing operating costs. The estimated cost of the pilot program is \$500,000 per year for two years. Details on the budget will be provided as the information becomes available.

Mr. Kutz provided a handout to the committee which is available upon request.

Next, Annie Seal, Chairman of the Missouri Eating Disorders Council, testified. The council was founded in 2010 thanks to the vision and leadership of Representative Rick Stream and Senator David Pearce and with the help of Dr. Keith Schafer and the Department of Mental Health. Eating disorders are the most fatal of all mental illnesses. It is estimated that over 500,000 Missourians will suffer from a serious eating disorder during the course of their lifetime. When we began we asked for a budget of \$150,000 to run this program, but only \$75,000 was appropriated and half of that amount was withheld. We have made great strides with these funds. We have created an online program called the Healthy Body Image Program, which is a self-guided, self-care online/mobile platform program that has proven to be an effective prevention program. The National Institute of Mental Health cited it as one of the top ten prevention programs in the country. This program was developed by Washington University in St. Louis and Stanford University in California. We are working with Washington University to implement this program in Missouri. Next year's budget is only \$36,000, which we greatly appreciated, however this program is so important that we will be asking for additional funds for the FY 2015 budget year. A handout is available upon request.

An individual testified about his eating disorder and said that most people do not have adequate coverage to get the treatment needed to combat this disease. The requirements for treatment are normally at least 60 days residential treatment, medicine and a doctor's help. Most of the treatment centers are located in the St. Louis and Kansas City areas and not in rural areas which are also equally affected with this problem. There is a great need to train individuals to

spot the signs of eating disorders. One could train coaches, councilors, and teachers because they could recognize these problems first if they knew what to look for.

Next, Doug Nelson, Commissioner of the Office of Administration, (OA) and Tim Robyn, with OA's Information Technology Services, testified before the committee. Before OA's testimony began Representative Allen commented, as she began every committee meeting, "I ask everyone in this hearing room to take a deep breath and smell the mold that is in this room. This is a problem in all of the hearing rooms in your Capitol and many of the offices that we work in. The Capitol is your building and we need to do something to help keep this building pristine." Commissioner Nelson commented that House Bill 19 was passed and included funds for stonework, window repair, other structural repairs and renovations to the Capitol. Also we are going to be asking for a new decision item to replace the existing HVAC system in the Capitol for the next fiscal year.

Next, OA testified on information related to security of the state's computer systems. In 2006 state agencies' IT departments were consolidated into one unit under OA. Historically every agency had their own IT department and the agencies could have had one or two people handling all facets of the system. This consolidation saved the state over \$25 million. Since the state consolidated these data units, we now have staff that specializes in each area, including security, customer support and programming. By doing this, we have a greater expertise and can fix problems faster and with less cost. There are currently several state offices that still maintain their own IT personnel: MoDOT, Conservation, statewide elected officials, the House of Representatives, the Senate and Legislative Research. For example, one of the departments that still have their own IT staff had a problem with malware infecting their computers, and they worked on the problem for three weeks and could not resolve the issue. They finally called our team for assistance and within 36 hours we had the problem fixed. The state computer network gets hit many times a day with hackers trying to steal peoples' identities, hacktavists trying to make a point, and the anonymous group that attempts to take systems down and tried to attack the state's website.

Last year OA asked for and received a \$4.5 million new decision item for additional security enhancements. We have currently spent about 40% of these funds. We are providing training to the individual users also. In the old days we could put up a firewall and prevent a majority of the attacks to our computer system, but now the attackers are getting more sophisticated and we need to do all we can to protect the state's data from these attacks. With state of the art technology you have to keep up with that technology. Computers have to be updated every three to five years; programmers are evolving in their expertise as well. It is hard to find programmers that are trained to work on older systems because they are outdated and not as efficient as newer technology. Many of the older systems do not communicate with one another. We need to get the entire state computer system upgraded to meet the technological challenges of the day and into the future.

Brian Kinkade, Acting Director of DSS, discussed their issues with getting rid of the old mainframe computer system. The system currently being implemented will allow more connection between agencies, increase workflow capabilities and reduce the department's

workforce. The new system will also allow our caseworkers to become more specialized and help our customers get information they need efficiently.

HEARING DATE OCTOBER 29, 2013

The committee heard testimony from an individual concerned about the Medicaid system. Her husband had a spinal tumor removed which left him a quadriplegic, needing 24 hour a day care. We had a caregiver come in 30 hours per week, paid by Medicaid, to help provide assistance. I have not be able to work because he needs care 24 hours a day and someone has to be home with him to take care of his needs. We receive a disability benefit and a small pension. We found out after my husband started drawing his pension that we made too much money to qualify for Medicaid. We would have to take out an insurance policy to help us qualify for spend down so that we could again qualify for Medicaid benefits. They expect us to be able to live on \$1099 per month for a family of four. We cannot afford to live like this. We have medications to purchase, food, etc. We do not qualify for food stamps, the free lunch program or any other government assistance because we make too much money. The spend down has to be paid before we can get qualified for Medicaid so that our caregiver can come to help take care of my husband. Medicaid is also asking for money back because they entered information wrong into the system and did not realize we were drawing from a pension even though we let them know when we started drawing the pension. The system needs to be fixed. Please do something to help my family.

Next, Judge Jimmie Edwards and Greg Linhares with the Office of State Courts Administrators discussed issues concerning records contained in Casenet. We have had requests from companies and individuals to get bulk data from Casenet. We do not provide bulk data. Casenet was created to provide transparency and public information; it was not put in place for companies' financial gain. We have a problem with people trying to get bulk data. We had one entity that was trolling for data up to 300,000 times a day; we had to block them from access.

The main reason we do not allow data trolling is because this data can change from day to day. Anyone can file a frivolous case if that have \$175. Someone could be listed on Casenet as being taken into court for something they did not do. Once the case is dispensed with, the information is taken off of Casenet. Or, someone charged with a felony could be found innocent. Once that happens, the information is taken off of Casenet. If we have someone getting this bulk data, it is just a snapshot of that particular time, and they could be providing false information to other buyers. Spreading this data could severely harm an individual that has done nothing wrong.

Next, Jerry Lee, Director, and Andrea Spillers, Deputy Director, of the Department of Public Safety provided a handout on homeland security. The Homeland Security Advisory Council (HSAC) is comprised of 20 members with regional divisions who are authorized to review state and local security plans, grant funding requests and make recommendations for changes to better protect Missourians. This ensures a statewide focus for homeland security and an effective means for coordinating resources. The regional boards receive 80% of their money on a pass through basis for approved projects. Most of the money recently has been spent on radio equipment and hazmat items. We have been, on an ongoing basis, assessing what resources the state currently has in all regions so that when issues arise we can coordinate those resources to get them to the areas that are in the most need. Some of the task forces around the state that

were formed prior to 2006 have not provided us with adequate information on the types of equipment they have available and what the equipment's capabilities are.

It would be great if the 911 system would be expanded statewide. This would help with coordination of assets to get the equipment needed to an area faster. We currently have the Missouri Statewide Interoperability Network (MOSWIN) operating in about 95% of the state. The network will provide a statewide radio network with sufficient capacity to meet the day-to-day and event-based first responder needs (operability) of a number of Missouri state agencies, including the Missouri State Highway Patrol and Department of Natural Resources. The network will also provide a statewide interoperable "platform" for agencies to interact with each other at the local, county and state level as needed.

The next issue discussed was records retention and the state archives at the Secretary of State's (SOS) office. The Secretary of State's office stated, for FY14, the total appropriated for leased and owned records retention space from General Revenue is approximately \$847,407. Utilizing a records center saves the Missouri taxpayers approximately \$1,437,389 per year in storage costs. Additionally, the Missouri SOS has not requested funds for scanning of permanent documents to electronic files for storage/archive purposes.

III.

CONCLUSION

In conclusion, The Interim Committee on Improving Government Responsiveness and Efficiency closely examined several of Missouri's state departments and agencies looking for ways to improve the responsiveness and efficiency of state government in meeting the needs of the people of Missouri. Through these meetings, the committee found there are many programs within the agencies examined that do not operate efficiently or effectively. The committee cannot change agency policies or procedures on its own but will make recommended modifications to current statute to improve the efficiency of government programs.

When departments ask for new decision items (NDI) for new programs or additional funds for current programs, they measure a program's success by its size. Departments rarely provide outcomes to demonstrate what benefits Missouri citizens receive for their investment. When departments receive funding for NDIs, this money is often added to the core budget never to be seen or discussed again. More emphasis needs to be put on what the program is supposed to achieve in terms of public good, welfare or security. Departments need to define the outcomes they want to achieve and put measures in place to monitor programs and ensure they are providing positive outcomes. A move from an input-focus to an outcome-focus will increase and improve the information generated and used for budgeting and management purposes. To hold agencies accountable, programs need to be evaluated and monitored to make sure they are meeting the targets and outcome goals. The output measures will help determine whether programs should continue as is, be modified, or be terminated.

Additionally, the committee discussed the departments' core budgets. These budgets may have outdated programs that are included in the total. These departmental budgets need to be broken down into individual ongoing programs to see if there are programs that could be modified or eliminated to increase efficiency and to save Missouri taxpayer dollars.

In FY 2014 the Department of Social Services' budget is more than \$1.5 billion, which is 18.87% of general revenue. DSS receives almost \$4.5 billion in federal funds and \$2.5 billion from other funds for a total annual budget of approximately \$8.54 billion. Funding is provided for the Family Support Division, Children's Division, Division of Youth Services, MO HealthNet Division and support divisions. The expenditures under the MO HealthNet Division for FY 2013 were over \$7 billion. There needs to be additional oversight for such a large division and for the department as a whole. Individuals can fall through the cracks if their situation does not meet the standard model for determining eligibility for benefits. When these issues occur, DSS needs to address these individuals to see if exceptions to the rule can apply. DSS needs to prioritize individuals with the greatest needs to ensure they receive adequate resources first. DSS might operate more efficiently if it were split into smaller pieces which might require legislation and/or amending the Missouri Constitution.

In 2012, Missouri spent \$192,380 of state money and \$241,592 of federal money on food stamp investigations for a total cost of \$433,972. The total administrative cost for the food stamp

program was \$37.5 million. Missouri's food stamp error rate was higher than the national average from 2008 through 2012. DSS took steps to rectify this situation and as of July 2013 Missouri's error rate dropped below the national average. DSS needs to look at the options available for calculating food stamp benefits for ineligible household members, like undocumented aliens. A family with an undocumented alien in the household should not receive more benefits than a household of all citizens. TANF drug testing has cost the state \$5,657 and saved \$402 as of July 31, 2013. As of March 4, 2013, three people had been disqualified due to drug testing and approximately 127 individuals have potential sanctions pending. The TANF work participation rate and the number of vocational rehabilitation clients who became successfully employed were below the target rate by more than 5% for most of 2011, 2012 and 2013.

DSS needs to better protect the most vulnerable children in foster care. Lucas Barnes Webb, a 4-year-old boy from Holt, Missouri, told an adult in August 2012 that his stepmother had kicked him in the stomach when she was mad. Children's Division workers closed the case on Oct. 10, 2012. Five days later, Lucas was rushed to a hospital where he died of blunt force trauma to the abdomen. Other tragedies in Missouri's foster care system include the girl known as LP who died without a proper investigation by DSS, the foster parent charged with molesting his foster children, the DSS caseworker arrested for driving under the influence and abusing prescription drugs and the foster parents and state social worker accused of smoking marijuana on multiple occasions in the presence of children in a Newton County foster home. There needs to be child welfare reform in Missouri and nationwide. Nationwide, the cases of criminal activity within state departments is alarming. There needs to be a full review of DSS's Children's Division. The state needs to reform the Children's Division and install tough new guidelines, standards and background checks on the workers. The state could consider removing abusers, not children, from family units, removing immunity for child service workers and restructuring family law courts. Accountability is paramount in all government offices receiving state and federal funding for children's services.

DSS needs to provide measurable outcomes and oversight for programs under its purview. The Start Up and Expansion Grant program provides funding for new or expanded childcare programs to increase the number of licensed childcare slots for infants and toddlers at providers serving children receiving child care subsidies from DSS. The State Auditor's Office questioned the costs at 3 of the 18 facilities that received funding awards in FY 2010 and FY 2011. The funds were given to the childcare centers up front and two of the three questioned facilities did not perform as contracted. DSS did not respond to the problem until it was pointed out by the audit report. DSS is now pursuing reimbursement for the failed contracts and is in the process of turning the cases over to the Attorney General's office. The third contract was terminated for non-performance after the facility received funds. This center later fulfilled the contract so no damages could be assessed under the contract. DSS also indicated that it updated contract provisions to require performance measures and for the work to be completed before payment is made. DSS provided handouts relating to this issue which are available upon request. No funds were appropriated for this program in FY 2012 and 2013. This "pay and chase" model of appropriating funds and then trying to get them back when a contract is not fulfilled is also a problem with the food stamp program. Chasing money is not as efficient as preventing its misuse in the first place. DSS needs to be proactive in every situation.

DSS's Temporary Assistance for Needy Families (TANF) program is meant to assist needy families so children can be cared for in their own homes; reduce dependency by promoting job preparation, work and marriage; prevent out-of-wedlock pregnancies and encourage the formation and maintenance of two-parent families. The Family Support Division within DSS determines eligibility for this cash assistance benefit. According to Missouri law, a TANF applicant or recipient is declared ineligible for TANF benefits for three years if he or she tests positive for the use of a controlled substance not prescribed by a licensed health care provider or refuses to submit to a test. DSS responded that they only test and question the person completing the application for TANF benefits. This appears to violate current statute. The committee wanted to know why DSS does not test all recipients in the household.

The Family Support Division within DSS determines eligibility for Food Stamp benefits as well. In certain situations, households with non-eligible individuals can receive more food stamp benefits than families with all eligible individuals. DSS also provided a handout with more information on this topic. The American Recovery and Reinvestment Act of 2009 suspended restrictions on the work requirements for able-bodied adults without dependents that receive benefits through the Supplemental Nutrition Assistance Program. Missouri has received this waiver since that time. Beginning in Federal FY 2014, Missouri was planning to continue this waiver in only 5 counties where the unemployment rates exceeded 10%. DSS filed an emergency rule with the Missouri Secretary of State to implement this change effective October 1, 2013. The rule, however, was not filed in a timely manner. There was fear it would not be implemented in time, so DSS withdrew the rule and decided to continue the current waiver for the entire state.

DSS provided a multitude of information that was very helpful to the Committee. Several committee members went to local DSS offices in their communities and were impressed by the helpfulness of employees at these facilities. There is much information provided to citizens to help them get benefits, but not enough information provided to help them to become self-sufficient so their benefits would no longer be needed, or at least decreased. DSS needs to look at the flexibility of the programs they offer, follow the letter of the law and save taxpayer dollars where they can. Programs need to have measureable data to ensure outcomes are desirable, especially when the new computer system is fully integrated. DSS needs to be proactive rather than reactive and address issues when they occur. In addition, DSS needs to find innovative ways to retain employees and decrease high turnover rates in the workforce.

The Department of Elementary and Secondary Education (DESE) appeared before the Committee to discuss implementation of the Missouri CCSS. Many parents from around the state testified about their concerns with these new standards for mathematics and English. These standards will require schools to conduct certain regular examinations online through an electronic program implemented by the state even though not all school districts are technologically prepared to comply with this requirement. DESE said it is working with the districts to help them through this issue. New technology is available that is cheaper and works as well if not better. DESE stated that the local school districts are still in control of the curriculum. They will be able to determine how they teach and prepare students for college and career readiness standards in English language arts and mathematics, just as they do for all other

subjects. The committee still has concerns about the overall cost of the implementation of the standards as well as the concerns parents brought forward. DESE is still determining the cost of implementing common core. The department said it would be ready to present the request for funding during the appropriation process. The committee did not get answers to all its questions and further dialog needs to occur during the 2014 legislative session.

Missouri's children in foster care rely on the state for their wellbeing. The proposal from Dr. Timothy Kutz to have a two year pilot program at Cardinal Glennon to create a medical home for children in foster care shows great promise. Access to care for children in foster care is a challenge. Children entering foster care require an urgent medical assessment, and for children that remain in foster care, a comprehensive assessment is required. Additionally, access to vital past medical information for these vulnerable citizens is nearly nonexistent. Medical records need to be maintained for these children, and these records must be readily available to their medical providers. The creation of a medical home for children in foster care may solve these issues. Dr. Kutz said that Cardinal Glennon would be asking for appropriations during the budget process, and he assured the committee that the outcomes for this program will be measured. The success of the pilot will help lawmakers determine the feasibility of operating a statewide medical home for children in foster care.

The Office of Homeland Security within the Department of Public Safety is in place to review state and local security plans, grant funding requests, and make recommendations for changes to better protect Missourians. The Homeland Security Advisory Council is comprised of the director of the Department of Public Safety and relevant Public Safety division directors and, equally as important, directors of other state departments to ensure a statewide focus for homeland security and effective coordination of resources. The state is broken down into regions, and regional funds have been used to purchase assets and resources that will best benefit an entire region instead of individual jurisdictions within that region. Communication vehicles, mass care trailers containing cots and other sheltering supplies, radio caches, portable generators, and many other assets have been obtained and strategically located in each region. These resources are available and have been deployed within each region and across regional lines in recent disasters in Missouri, including the devastating Joplin EF-5 tornado in May 2011 and the ice storm in late January 2009. The department's staff is currently inventorying all of Missouri's available resources. DPS has had issues getting enough information from some entities that were established prior to the Office of Homeland Security. The Committee has asked that the agency request this information from all sources. The Committee discussed legislation that could help DPS obtain this information if needed. It is important that the agency knows of all available resources across the state so that the state's assets are strategically located and not unnecessarily duplicated. This coordination will give Missouri the best coverage available while using the state's funding wisely.

IV.

RECOMMENDATIONS

The following list is a compilation of recommendations received from members of The Interim Committee on Improving Government Responsiveness and Efficiency. The recommendations to improve government responsiveness and efficiency include possible modifications to current statute through the legislative process, modifications to appropriation bills through the budget process, and modifications to current policy. These items are not listed in order of priority.

1. Require agencies requesting funding for new decision items to establish a baseline for performance measures, a detailed description of the need for the funding, and an explanation of what happens if funding is not appropriated for the new program. Performance measures need to provide measurable outcomes and demonstrate what return the state is getting on the investment. This will allow lawmakers to determine whether or not the program is meeting its goals and is worth continuing to fund.
2. Propose legislation granting additional rights to grandparents when their grandchildren's safety is at risk from parents, environment, etc.
3. Require agencies to break out their Core budget by program, providing performance measures and a detailed explanation of the need for continued funding. Departments should demonstrate what return the state has received from this funding.
4. Establish a committee or working group to have open discussions with the Departments of Social Services (DSS), Mental Health (DMH), and Health and Senior Services (DHSS) to study the current open records policies on child abuse and neglect cases to determine whether modifications are needed to better define what records should be open and when those records should be open.
5. Require the DSS, DMH, and Corrections to develop programs to retain case workers, mental health workers, and corrections officers to reduce the extremely high and costly turnover rates.
6. Require DSS to provide a detailed description of the need for funding the Early Childhood Development, Education and Care Fund, which was established to provide improvement grants to child care facilities serving children subsidized by DSS. If funds are needed, DSS would need to be accountable for any funds granted. This program was not funded for fiscal years 2013 and 2014.
7. Propose legislation on flexibility issues with TANF to prohibit a TANF household that has an illegal alien living in the home from receiving an equal or greater level of benefits than a household of all citizens.

8. Propose legislation to remove as vendors retailers who allow fraudulent purchases with food stamp EBT cards.
9. Propose legislation or regulations prohibiting certain entities from making policy change requirements at any time of the year and require that changes only be made annually except for certain exceptions. Require that consumers and retailers be notified when changes will be made.
10. Review new child care regulations going into effect October 2015.
11. Propose legislation to mitigate the disparity in patient insurance co-payments between orally and intravenously administered chemotherapies.
12. Require the Department of Elementary and Secondary Education (DESE) to provide detailed information on the Missouri Common Core State Standards before the budget committee, including but not limited to information on how Missouri became involved; the implementation process; and past, present and future expenditures for the program.
13. Request that the Office of the State Courts Administrator review its current policy on issues related to data mining of the Case.net website and report to the budget committee any legislative or funding changes needed to protect this information.
14. Propose legislative or appropriations changes to the general revenue funds received by the University of Missouri – St. Louis for the Sue Shear Institute.
15. Request that Cardinal Glennon present its funding request for a medical home for children in foster care pilot project to the Appropriations – Health, Mental Health, and Social Services Committee.
16. Require that the Department of Public Safety provide the General Assembly with a comprehensive report of all funds received since September 11, 2001 and where these funds have been allocated. The report should include all equipment, administrative costs and employee expenses. The report shall include a full inventory and the location of all equipment in the state purchased with homeland security funds and any matching funds from the state or local government. The comprehensive inventory needs to show what is already in place and what items are needed in the event of a large disaster.

V.

QUESTIONS FOR FURTHER DISCUSSION

1. Request detailed organizational chart from the Department of Elementary and Secondary Education (DESE). This was requested by the Committee and never received.
2. Review flexibility issues within the Temporary Assistance for Needy Families (TANF) and food stamp programs.
3. Review the Missouri Common Core State Standards.
4. Review funding for the Early Childhood Development, Education, and Care Fund (ECDECF), which was established to provide funding to increase the capacity of, and access to, quality early childhood programs for all Missouri families. Require DSS to provide detailed information why this program needs to be funded.
5. Review new child care regulations becoming effective October 2015 and modify Missouri's regulations where needed.
6. Review agency Information Technology (IT) departments to determine if further consolidations would be conceivable to reduce budgets and become more efficient.
7. What is the status of recouping the DSS funds paid out of the Start Up and Expansion Grant program to childcare facilities that did not perform according to the State Auditor's Office?
8. Examine the return on investment of the TANF drug testing program and explore ways to make the system more effective and efficient.